

Chapter Overview

Introduction The objective of this chapter is to provide a concise, user friendly job aid for collecting an in-service debt, counseling a member on an overpayment, and requesting a remission or waiver. This chapter provides checklists, guides, and information required to complete these tasks.

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Section Overview

Introduction	This section provides you with the procedures for collecting an in-service debt and counseling a member on an overpayment.
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Cash deposits	If a member desires to repay part of all of an in-service debt, mail a check, made out to U.S. Coast Guard, to HRSIC (DC) with a copy of the LES or Notice of Overpayment (NOP).
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Interest, administrative fees, and penalties	<ul style="list-style-type: none">• Interest will be applied to all overpayments that occur earlier than the current PMIS/JUMPS processing period, and on all non-payroll debts to the Coast Guard unless waived by CO, HRSIC. No interest will be applied if debt is paid in full prior to the start of collection action. A 30-day notice will be provided to the member with interest being applied from the date of notification.• Administrative fees and penalties will be applied on a case by case basis in accordance with 4 C.F.R., and the CG Pay Manual.
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Collection of PMIS/JUMPS Overpayments

Introduction	An overpayment of pay and allowances is the result of errors or delays in processing pay-related transactions. This will assist the unit when counseling a member on an overpayment.
Reference	COMDTINST M7220.29 (series), CG Pay Manual, Chapter 11, In-Service Debt Collection
How a member is notified of an overpayment	A Notice of Overpayment (NOP) letter will be provided by HRSIC (MAS) for each member with a debt of \$751 or more. Members with debts of \$750 or less will be notified by a message on the LES.
Action upon receipt of a Notice of Overpayment letter	Upon receipt of a Notice of Overpayment (NOP) letter the member's commanding officer shall: <ul style="list-style-type: none">• provide a copy of the NOP letter to the member.• counsel the member regarding the debt and the collection procedure.

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Collection of PMIS/JUMPS Overpayments, Continued

Overpayment collection process

Use this table when counseling the member on overpayment collection procedures.

Note: The standard procedures described below do not apply if the time remaining before the member's scheduled date of separation is not sufficient to complete collection. Every effort will be made to collect debts prior to separation.

If overpayment is	Then collection will be
less than \$150	taken during current month if sufficient net pay exists, with a remark on the LES Note: If sufficient net pay does not exist, then the member will be advanced the overpayment amount and collection will start the next month
\$150 to \$750	scheduled for automatic repayment at a rate not to exceed \$150 a month starting the next month with a remark on the LES
\$751 to \$1999	scheduled in 5 equal monthly installments 30 days after unit CO receives written notice of member's debt
\$2000 or greater	scheduled as 1/3 available pay or \$400 per month whichever is greater unless: <ul style="list-style-type: none">• 1/3 available pay makes repayment less than 5 months, collection will be set at 5 months• repayment exceeds 12 months then repayment rate will be 1/12 of debt, provided it doesn't exceed available pay• 12 equal installments exceed available pay, then repayment will be amount of available pay

Requesting a different repayment schedule

The member's commanding officer may propose a different repayment schedule based upon the member's financial status, as long as repayment is completed prior to separation. Repayment of less than 10% of available pay, or longer than one year will only be approved in cases of legitimate financial hardship. If a financial hardship exists, a Financial Statement, CG-5489B, (from Enclosure (1) to this manual) must be completed and forwarded to HRSIC (MAS) for review and approval.

Section A
COLLECTIONS

Collection of Other Debts

Introduction There are several types of debts that a member may incur that can be collected directly from their pay.

Reference COMDTINST M7220.29 (series), CG Pay Manual, Chapter 11, In-Service Debt Collection

Types of debts This table lists several types of debts that can be collected from a member's pay.

Type	Who does it	Action taken
Unliquidated Travel Advance	HRSIC (TVL)	Issues dunning letter to member
	FINCEN	Initiates collection (Active duty members)
	HRSIC (DC)	Initiates collection (Reserve members)
IRS Tax Levy	Unit	<ul style="list-style-type: none">• Forwards notice of levy to HRSIC (MAS)• Notifies originating IRS unit that notice of levy has been forwarded
	HRSIC (MAS)	Initiates collection
Garnishment Involuntary Allotment	Unit	Upon receipt of a court order for garnishment returns order to sender with a letter informing them that the order must be sent directly to HRSIC (LGL) for action
	HRSIC (LGL)	Prior to starting an involuntary allotment, HRSIC (LGL) will forward documentation to both the member and the member's commanding officer, notifying them that automatic processing will occur if a response is not received within 90 days from the date HRSIC mailed the documentation. Specific procedures to be followed by the member and the command will be included with the documentation provided by HRSIC.
Private Damages	Unit	Submits the report of investigation to HRSIC (DC)
	HRSIC (DC)	Initiates collection

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Section A
COLLECTIONS

Collection of Other Debts, Continued

Type of Debts
(continued)

Type	Who does it	Action taken
Bankruptcy	Unit	Forwards notice of bankruptcy to HRSIC (LGL)
	HRSIC (LGL)	Initiates collection
Clothing & Small Store Checkage	TRACEN Cape May, TRACEN Petaluma, or RESTRACEN Yorktown	Submits a CG-5475 to initiate collection
Duplicate Payments	HRSIC (DC)	Forwards a dunning letter to member
Debts Owed to Coast Guard Mutual Assistance (CGMA)	Unit	Notifies PERSRU of debts owed to CGMA to be collected from member's available pay
	PERSRU	Notifies HRSIC (SES) and Mutual Assistance Office in Headquarters. The notification must contain: <ul style="list-style-type: none">• name, SSN,• scheduled date of separation,• CGMA office that processed loan,• loan balance,• blanket code and• whether the member has consented in writing to voluntary collection of the debt,• or if the member has not consented to voluntary checkage, the date on which the member was provided written notice of the debt and planned involuntary collection action
	HRSIC (SES)	Initiates deduction from separation pay and forwards payment to CGMA
Debts Owed Other Service Relief Society	Other Armed Service	Forwards PAA
	HRSIC (SES)	Initiates deduction from separation pay

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Section A
COLLECTIONS

Collection of Other Debts, Continued

Types of Debts
(continued)

Type	Who does it	Action taken
Unpaid DOD Hospital Charges	Care Provider	Forwards statement of charges to HRSIC (DC)
	HRSIC (DC)	Initiates collection
Damage to Gov't Quarters	Housing Officer	Forwards PAA to HRSIC (DC)
	HRSIC (DC)	Initiates collection
Bad Check/ Defaulted Payment Plan	NAFA/AAFES	Forwards PAA to HRSIC (DC)
	HRSIC (DC)	Initiates collection
Bad Check to CG	FINCEN	Forwards PAA to HRSIC (DC)
	HRSIC (DC)	Initiates collection

Section Overview

Introduction This section will guide you through the procedures for requesting a remission or waiver.

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Section B
REMISSIONS AND WAIVERS

Remissions

Introduction To cancel an uncollected amount of indebtedness to the U.S. Government, a member must request a remission of that debt. This will assist you with requesting a remission. Waiver/Remission application forms are located in Enclosure (1) to this manual.

References COMDTINST M7220.29 (series), CG Pay Manual Section 11-G, Remission of Indebtedness for Enlisted Members

Who can apply Any enlisted member on active duty, including a temporary officer holding a permanent enlisted status, can request a remission.

Note to deploying or deployed units If on a cutter 210' or larger, preparing to deploy or deployed when a member receives a notice of overpayment the unit may request suspension of collection action by notifying HRSIC (MAS) and your PERSRU, indicating date application is to be forwarded (must be submitted within 60 days).

Applying for a remission Use this table when completing an application for a remission.

Stage	Who does it	What happens
1	Member	<ul style="list-style-type: none">• Completes Part I, CG-5489• Completes CG-5489B, (if a financial hardship exists)
2	CO of Unit	<ul style="list-style-type: none">• Completes Part II, CG-5489• Completes Part II, CG-5489B
3	PERSRU	<ul style="list-style-type: none">• Completes PERSRU Endorsement, CG-5489A
4	HRSIC (MAS)	<ul style="list-style-type: none">• Suspends collection of indebtedness• Forwards application and endorsements to COMDT (G-WPM)• Notifies member of action taken

Section B
REMISSIONS AND WAIVERS

Waivers

Introduction An erroneous payment to a member is subject to collection when detected. A member may request cancellation of this debt by submitting a request for waiver. This will assist you with requesting a waiver. Waiver/Remission application forms are located in Enclosure (1) to this manual.

References COMDTINST M7220.29 (series), CG Pay Manual Section 11-F, Waiver of Claims for Erroneous Payment

Who can apply Any present or former member of the U.S. Coast Guard and recipients of pay and/or allowances on behalf of members or former members may apply for a waiver of a debt. Applications must be received by the unit commanding officer, HRSIC, or the Comptroller General of the United States within 3 years following the date of discovery of the erroneous payment.

Applying for a waiver Members on active duty or serving in the selected reserve must use this procedure when submitting an application for a waiver.

Step	Who does it	What happens
1	Member	• Completes Part I, CG-5489
2	CO of Unit	• Completes Part II, CG-5489
3	PERSRU	• Completes PERSRU Endorsement
4	HRSIC (MAS/PPS)	• Forwards application and endorsements to COMDT (G-WPM) • Notifies member of action taken

Note: Former members of the U.S. Coast Guard, and recipients of pay and/or allowances on behalf of a member or a former member should contact HRSIC (DC) for information on waiver requests.
